
Leasing Activities Information



U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region

PROPOSED NOTICE OF SALE 189 Eastern Gulf of Mexico

Attached is the Proposed Notice of Sale 189 Package (PNOS 189 Package), Eastern Gulf of Mexico (GOM), scheduled to be held on December 10, 2003, in New Orleans, Louisiana.

In addition to the PNOS 189, this Package consists of:

- Lease Stipulations for Oil and Gas Lease Sale 189, Proposed
- Royalty Suspension Provisions, Sale 189, Proposed
- Information To Lessees, Sale 189, Proposed
- Example of Preferred Format - Geophysical Data and Information Statement
- Lease Terms, Economic Conditions, and Stipulations Map, Sale 189, Proposed

All documents listed above are available from the MMS Gulf of Mexico Region Public Information Unit; telephone (800) 200-GULF or (504) 736-2519; or by written request to:

Minerals Management Service
Gulf of Mexico OCS Region
Public Information Unit (MS 5034)
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

The following documents and those listed above will be included in the Notice of Sale Package for the Final Notice of Sale (expected to be available in late October 2003):

- List of Blocks Available for Leasing, Sale 189
- Debarment Certification Form
- Bid Form and Envelope
- Telephone Numbers/Addresses of Bidders Form
- Instructions for Making EFT Bonus Payments

Please Notice:

Terms and conditions for PNOS 189 are generally the same as the December 2001 Eastern GOM Sale 181 except for the following noteworthy matters:

Protected Species Stipulation

Included in the PNOS 189 Package is a recently revised Protected Species Stipulation that was applicable to the last sale: Central GOM Sale 185. However, bidders should be aware that pending the completion of consultations with the National Oceanic and Atmospheric Administration - Fisheries (NOAA-Fisheries) pursuant to section 7 of the Endangered Species Act, MMS proposes to apply a protected species stipulation to all leases resulting from this sale. These consultations will be completed before a decision on the final Notice of Sale, and MMS may make revisions in the stipulation for the final Notice consistent with the NOAA-Fisheries Sale 189 final biological opinion.

Bidders should note that Notice To Lessees (NTLs) 2003-G06 and 2003-G07 which help implement the requirements of the currently proposed Protected Species Stipulation were recently revised, effective June 19, 2003. The two applicable NTLs, cited in paragraph (g) of the Information To Lessees document in the PNOS 189 Package, have been superseded by NTLs 2003-G11 and 2003-G10, respectively.

Royalty Relief

The deepwater relief price thresholds differ from those used in Eastern GOM Sale 181. Please see the document "Royalty Suspension Provisions, Sale 189, Proposed," for additional information.

Information To Lessees

The Information To Lessees document for this sale has been shortened to include only items that involve information about other agencies or MMS agency requirements not covered by the sale notice, including stipulations or existing NTLs and regulations.

Geophysical Data and Information Statement

The PNOS 189 Package contains a requirement that each bidder submit, by the bid submission deadline, a Geophysical Data and Information Statement declaring whether they possess or control depth migrated geophysical data and information pertaining to each block upon which they are participating as a bidder. In connection therewith, the MMS has issued NTL No. 2003-G05, effective February 15, 2003, to provide more detail concerning submission of the Geophysical Data and Information Statement, making the data available to the MMS following the lease sale, preferred format, reimbursement for costs, and confidentiality.

Electronic Funds Transfer (EFT) Payments

Bidders are reminded that the 1/5th bonus bid deposits will be due by 1:00 p.m. Eastern Time the day following bid reading. In addition, certain bid submitters (i.e., those that do NOT currently own or operate an OCS mineral lease OR those that have ever defaulted on a 1/5th bonus bid payment (EFT or otherwise)) will be required to guarantee (secure) their 1/5th bonus bid payment prior to the submission of bids. Also, when paying the 4/5ths bonus and rental payments, it is requested that only one transaction be used. For further details, please see the document "Instructions for Making EFT Bonus Payments."

Not Offered:

118 blocks currently under lease

Statistical Information (Sale 189):

Size: 138 unleased blocks; 794,880 acres

Initial Period: 10 years

Minimum Bonus Bid Amount: \$37.50 per acre or fraction thereof

Rental/Minimum Royalty Rates: \$7.50 per acre or fraction thereof

Royalty Rates: 12-1/2%

Royalty Suspension Area: A royalty suspension of 12 million barrels of oil equivalent will apply to all leases in this sale.

For more information on the PNOS 189 Package, potential bidders are advised to contact Mr. Charles Hill at (504) 736-2795 or Ms. Jane Burrell Johnson at (504) 736-2811 of the MMS GOM OCS Region Sales and Support Unit.

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